GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:115
ANSWERED ON:01.12.2004
LOANS FOR SETTING UP AGRO AND RURAL INDUSTRIES IN WB
Panda Shri Prabodh

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether the Government is aware of the difficulties being faced by the people in rural areas in obtaining loans from Nationalized Banks for setting up Agro and Rural Industries in West Bengal;

(b) whether the Government proposes to introduce a scheme for the disbursement of loans to the needy without procedural wrangles by the nearest Nationalized Banks; and

(c) if so, the details of financial support provided for setting up Agro and Rural Industries at present in West Bengal, location- wise?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a) : The Rural Employment Generation Programme (REGP), which is implemented by the Khadi and Village Industries Commission (KVIC) with loan funding from nationalized banks and margin money support from the Central Government, is functioning satisfactorily in West Bengal. The result of an evaluation study, conducted in 2003, on the REGP units in West Bengal, has revealed that 98 per cent of sample enterprises reported release of loan by the banks within three months of sanction.

(b) : The Central Government has been implementing the REGP throughout the country, including West Bengal. In order to avoid any procedural wrangles for the entrepreneurs assisted under the REGP, margin money assistance at the prescribed rates is placed in advance at the disposal of the participating public sector scheduled commercial banks which are authorized to sanction individual self-employment projects under the REGP costing upto Rs. 25 lakh, without prior approval of the KVIC. The entrepreneurs can approach the nearest public sector bank branch for availing of loans under the REGP. This procedure helps ensure, as far as practicable, hassle-free disbursement of loans to the entrepreneurs.

(c) : During the financial year 2003-04, an amount of Rs. 1593.51 lakh has been released to West Bengal towards margin money assistance, against which a total loan of Rs. 3983.76 lakh is estimated to have been provided by the nationalized banks to the eligible entrepreneurs. During the financial year 2004-05, an amount of Rs. 1492 lakh has been allocated to the State towards margin money assistance to help, in turn, sanction of about Rs. 3730 lakh as loans from the nationalized banks. The District-wise distribution of margin money in the West Bengal for the yar 2004-05 is given below :-

Sl.No.	District	Margin money allocated for the year 2004-05 (Rs. in lakh)
1	Bankura	72.00
2	Birbhum	93.00
3	Burdwan	90.00
4	Cooch Behar	70.00
5	Darjeeling	53.00
6	Hooghly	60.00
7	Howrah	75.00
8	Jalpaiguri	85.00
9	Malda	110.00
10	Midnapur (East)	91.00
11	Midnapur (West)	85.00
12	Murshidabad	95.00
13	Nadia	90.00
14	Purulia	80.00
15	Dinajpur (North)	94.00
16	Dinajpur (South)	64.00
17	24 Parganas (North)	93.00
18	24 Parganas (South)	92.00
	Total	1492.00